Supplemental Agreement between the Government of Switzerland, represented by the State Secretariat for Economic Affairs, and the International Bank for Reconstruction and Development and the International Development Association regarding the South Africa Financial Sector Development and Reform Program Multi-Donor Trust Fund

(Trust Fund No. TF073093 parallel to original Trust Fund No. TF072243)

1. Reference is made to the Administration Agreement between the Government of Switzerland, represented by the State Secretariat for Economic Affairs (the “Donor”) and the International Bank for Reconstruction and Development and the International Development Association (collectively, the “Bank” and together with the Donor, the “Parties” and each a “Party”) regarding the South Africa Financial Sector Development and Reform Program Multi-Donor Trust Fund (Trust Fund No. TF072243) effective as of July 22, 2014, as may have been amended (the “Administration Agreement”).

2. In connection with the Administration Agreement, and in support of the South Africa Financial Sector Development and Reform Program Multi-Donor Trust Fund, the Bank acknowledges that the Donor agrees, subject to Legislative appropriations, to provide a contribution in the amount of four million Swiss Francs (CHF 4,000,000) (the “Contribution”) in accordance with the terms of this Supplemental Agreement (the “Supplemental Agreement”).

3. In order to apply the Bank’s new cost recovery provisions, the Bank has established a new parallel trust fund account (Trust Fund No. TF073093 (the “Parallel Account”) for purposes of receiving contributions for the South Africa Financial Sector Development and Reform Program Multi-Donor Trust Fund, which shall be administered in parallel with the original trust fund account (Trust Fund No. TF072243) (the “Original Account”), both of which accounts constitute the South Africa Financial Sector Development and Reform Program Multi-Donor Trust Fund.

4. The Donor shall deposit the Contribution in accordance with the following schedule and in the currency specified in paragraph 2 above into such bank account designated by the Bank (each amount deposited referred to as an “Installment”) upon submission of a payment request by the Bank:

   (A) promptly following counter-signature, one million Swiss Francs (CHF 1,000,000).
   (B) On or before May 15, 2019, one million Swiss Francs (CHF 1,000,000).
   (C) On or before May 15, 2020, one million Swiss Francs (CHF 1,000,000).
   (D) On or before May 15, 2021, five hundred thousand Swiss Francs (CHF 500,000).
   (E) On or before May 15, 2022, five hundred thousand Swiss Francs (CHF 500,000).

5. The Contribution is being provided in Installments on the basis of financial needs of the Trust Fund. If the Bank determines, on the basis of the speed of the implementation of the activities and availability of funds in the Trust Fund, that it is necessary to either bring Installments forward or delay them, the Bank and the Donor shall discuss and agree to revise the Installment schedule, as confirmed by the Bank to the Donor in writing.

6. When making a deposit, the Donor shall instruct its bank to include in its deposit details information (remittance advice) field of its SWIFT deposit message, information indicating: the amount deposited, that the deposit is made by the Donor for Trust Fund No. TF073093 (the South Africa Financial Sector Development and Reform Program Multi-Donor Trust Fund), and the date of the deposit (the “Deposit Instructions”). In addition, the Donor shall provide a copy of the Deposit Instructions to the Bank’s Accounting Trust Funds Division by e-mail sent to tfremitadvice@worldbank.org or by fax sent to (202) 614-1315.
7. The Parallel Account, including with respect to the Contribution funds and any other funds contributed thereto, shall be governed by the terms of the Administration Agreement, except that the revisions specified in the Schedule attached to this Supplemental Agreement shall apply.

8. The Parties agree that the End Disbursement Date for purposes of the Parallel Account is November 30, 2023.

9. For clarity, (a) subject to paragraphs 7 and 8 above, all other terms of the Administration Agreement, as such terms may be amended from time to time, shall apply to the funds in the Parallel Account; and (b) all funds in the Original Account shall be governed by the terms of the Administration Agreement, as such terms may be amended from time to time, without regard to this Supplemental Agreement.

10. At the date of Bank’s signature of this Supplemental Agreement, the Indirect Rate (as defined in the Schedule to this Supplemental Agreement) is 17%.

11. The Bank shall disclose this Supplemental Agreement in accordance with the Bank’s Policy on Access to Information. By entering into this Supplemental Agreement, the Donor consents to such disclosure.

12. Each of the Parties represents, by confirming its agreement below, that it is authorized to enter into this Supplemental Agreement and act in accordance with these terms and conditions. The Parties are requested to sign and date this Supplemental Agreement, and upon possession by the Bank of this fully signed Supplemental Agreement, this Supplemental Agreement shall become effective as of the date of the last signature.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ Paul Noumba Um
    Date: 6.9.2018
    Paul Noumba Um
    Country Director, South Africa

GOVERNMENT OF SWITZERLAND, REPRESENTED BY THE STATE SECRETARIAT FOR ECONOMIC AFFAIRS

By: /s/ Ivo Germann
    Date: 31.8.2018
    Ivo Germann
    Head of Operations, Economic Cooperation and Development
    State Secretariat for Economic Affairs (SECO)
Revisions to the Administration Agreement for Purposes of the Parallel Account Only

(A) Section 3 (Trust Fund Fees and Costs) of Annex 2 to the Administration Agreement is hereby eliminated.

(B) Section 3 (Eligible Expenditures) of Annex 1 of the Administration Agreement is hereby substituted with the following terms:

"3.1. The following eligible expenditures categories may be used to finance Bank-executed activities:

(a) staff costs (excluding short term consultants and temporaries);
(b) extended term consultants and temporaries;
(c) short-term consultants and temporaries;
(d) contractual services;
(e) media, workshops, conferences and meetings; and
(f) travel expenses.

(a) For purposes of the above expenditure categories: (i) “staff costs (excluding short term consultants and temporaries); (ii) “extended term consultants and temporaries” includes fees, benefits and Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures; and (iii) “short term consultants and temporaries” includes fees and Indirect Rate charged to the Trust Fund as applicable under Bank policies and procedures.

(b) The “Indirect Rate” means the indirect rate, defined as a percentage of personnel costs and available at the Development Partner Center website, as such rate may be revised from time to time by the Bank and applied to this Trust Fund, in accordance with its policies and procedures."

(C) Paragraph 2(c) of Annex 1 to the Administration Agreement is deleted and replaced by the following:

“(c) Trust Fund Management and Mid-term Review:

Carrying out trust fund management, technical oversight, administration activities and a mid-term review, including but not limited to, supporting Trust Fund related meetings; planning and executing work plans and budgets; managing communications and conducting outreach; disseminating lessons learned; reporting on progress; and monitoring and evaluating the activities.”
The following section is added to Annex 2 of the Administration Agreement:

“8. Trust Fund Fee

The Bank shall calculate a fee each time funds (the “Grant Amount”) from the Trust Fund become committed under a Grant Agreement. Such commitment shall occur when such Grant Agreement is fully countersigned (the “Calculation Date”). The fee so calculated by the Bank shall be based on the cumulative total of funds from the Trust Fund committed under all Grant Agreements that have been fully countersigned on or prior to the Calculation Date (the “Cumulative Grant Total”). The calculated fee shall depend on where the Cumulative Grant Total stands as the Grant Amount is added and shall be determined in accordance with the following schedule:

(i) 5% of any portion of the Grant Amount that results in a Cumulative Grant Total below or equal to US$ 50 million or equivalent; plus
(ii) 4% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 50 million or equivalent and below or equal to US$ 500 million or equivalent; plus
(iii) 3% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 500 million or equivalent and below or equal to US$ 1 billion or equivalent; plus
(iv) 2% of any portion of the Grant Amount that results in a Cumulative Grant Total above US$ 1 billion or equivalent.

Following each Calculation Date, the Bank shall deduct from the trust fund account, Trust Fund No. TF073093, and retain for its own account, the fee as set forth above. Grant Amounts may not exceed the balance of uncommitted funds in such account net of the related fee.”